

## Message Text

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ACTION EB-11

INFO OCT-01 EUR-25 ISO-00 CAB-09 CIAE-00 COME-00 DODE-00

DOT-00 INR-10 NSAE-00 RSC-01 FAA-00 INRE-00 SSO-00

PA-04 PRS-01 USIE-00 PM-07 SS-20 NSC-07 NSCE-00 OMB-01

TRSE-00 L-03 SCI-06 DRC-01 /107 W

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O R 281628Z MAR 74

FM AMEMBASSY LONDON

TO SECSTATE WASHDC IMMEDIATE 9130

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY PARIS

C O N F I D E N T I A L LONDON 03939

BRUSSELS FOR FAA

E.O. 11652: GDS

TAGS: ETRN, SENV, UK, FR

SUBJECT: CONCORDE

REF: LONDON 3886

1. BRITISH AIRCRAFT CORPORATION (BAC) CAMPAIGN TO TRY  
RESCUE THE CONCORDE PROGRAM WAS LAUNCHED MARCH 27 WITH  
PUBLICATION OF A TOUGH STATEMENT RELEASED TO THE PRESS  
AT THE TIME IT WAS DELIVERED TO INDUSTRY SECRETARY  
WEDGEWOOD BENN. THE BAC PAPER DESCRIBES THE COST FIGURES  
PRESENTED BY BENN TO PARLIAMENT AS "TOTALLY MISLEADING."  
THE STATEMENT CLAIMS THAT THE INDUSTRY SECRETARY UNDER-  
ESTIMATED CONCORDE CANCELLATION COSTS (80 MILLION POUNDS)  
AND IT TRIES TO MAKE THE CASE THAT THE REAL CHOICE FACING  
GOVERNMENT IS WHETHER TO INCUR THE UNDERSTATED 80 MILLION  
POUNDS CANCELLATION CHARGES OR TO BEAR THE 115 MILLION  
POUNDS IN PRODUCTION LOSSES ON 16 AIRCRAFT. THIS ARGU-  
MENT, OF COURSE, OVERLOOKS THE 90 MILLION POUNDS INVEST-  
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MENT BY BRITISH AIRWAYS FOR FIVE AIRCRAFT AND THE OPERAT-

ING LOSSES WHICH BRITISH AIRWAYS SAYS IT WILL SUFFER.

2. BAC ADMITS THAT IT MAY NOT HAVE ALL COST INFORMATION THAT IS AVAILABLE TO GOVERNMENT, BUT IT CALLS FOR A THOROUGH REVIEW WITH BRITISH OFFICIALS OF THE COST FIGURES PUBLISHED IN ORDER TO GIVE BAC AND ROLLS-ROYCE "THE WHOLE PICTURE." THE BAC PAPER ALSO DISAGREES STRONGLY WITH BRITISH AIRWAYS. CLAIM THAT ITS FIVE CONCORDES IN SERVICE WOULD LOSE 26 MILLION POUNDS ANNUALLY, AND IT ASKS THAT BA'S FIGURES ALSO BE REVIEWED.

3. BAC MAINTAINS THAT CONCORDE ACHIEVES EVERYTHING IT WAS DESIGNED TO DO, THAT IT IS SUITABLE FOR MANY IMPORTANT INTERNATIONAL ROUTES, AND THAT WHEN IT ENTERS SERVICE ITS APPEAL WILL OPEN A SUBSTANTIAL SALES MARKET. ON THE QUESTION OF NOISE, THE PAPER STATES THAT NO AIRPORT HAS YET BANNED CONCORDE, BUT IT ADMITS THAT RIGHTS AT JFK AND SYDNEY ARE NOT CERTAIN. (NO MENTION OF TOKYO AIRPORT.)

4. COMMENTING ON EMPLOYMENT, THE BAC PAPER STATES THAT THE GOVERNMENT-QUOTED FIGURE OF 21,000 WORKERS EMPLOYED ON CONCORDE DOES NOT TAKE ACCOUNT OF SERVICE INDUSTRIES DEPENDENT UPON CONCORDE EMPLOYEES. IF CONCORDE IS CANCELLED, BAC SAYS IT WILL BE NECESSARY TO CLOSE DOWN MOST OF THE FILTON PLANT NEAR BRISTOL AND SEVERE EFFECTS WOULD BE FELT AT ITS WEYBRIDGE AND HURN PLANTS.

5. THE PRESS TODAY REPORTS THAT TRADE UNION DELEGATES FROM BAC PLANTS ARE FLYING TO TOULOUSE TO LINE UP FRENCH WORKERS SUPPORT FOR THEIR CAMPAIGN TO RESIST PRESSURES TO CANCEL THE CONCORDE PROJECT.

6. COMMENT. THE SAVE CONCORDE CAMPAIGN IS NOW LAUNCHED AND HAS GAINED MOMENTUM WITH THE PUBLIC RELEASE OF THE LONG AND TOUGH-TALKING BAC PAPER. WE CERTAINLY EXPECT FURTHER CONTROVERSY IN THE DAYS AHEAD AS THE GOVERNMENT MOVES TOWARD DECISION ON THE QUESTION OF CONTINUED UK SUPPORT FOR THE CONCORDE PROJECT. THE CONCORDE DECISION WILL INVOLVE A POLITICAL HASSLE WHICH THE US WOULD BE CONFIDENTIAL

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WELL-ADVISED TO STAY OUT OF BUT INTO WHICH THE US WILL ALMOST SURELY BE DRAWN IF THE USG PUBLISHES ITS NPRM ON SST ENGINE EMISSIONS IN THE FIRST HALF OF APRIL.

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** GOVERNMENT BUDGET, COSTS, UNEMPLOYMENT, CONCORDE, JET AIRCRAFT  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 28 MAR 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974LONDON03939  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D740067-1064  
**From:** LONDON  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Line Count:** 112  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EB  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:**  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** LONDON 3886  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** golinofr  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 01 APR 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <01 APR 2002 by collinp0>; APPROVED <05 JUN 2002 by golinofr>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** CONCORDE  
**TAGS:** ETRN, SENV, UK, FR  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005